



WEST MIDLANDS
COMBINED AUTHORITY

West Midlands Combined Authority Board

Date	23 June 2017
Report title	Swift Vending Machine Wider Rollout
Portfolio Lead	Councillor Roger Lawrence - Transport
Accountable Chief Executive	Keith Ireland, Managing Director, City of Wolverhampton Council & Monitoring Officer for West Midlands Combined Authority
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Report to be/has been considered by	Smart Programme Board (22 May 2017)

Recommendation(s) for action or decision:

The West Midlands Combined Authority Board is recommended to:

- Agree to the wider rollout of Swift vending machines across all TfWM bus stations and at key interchanges subject to business case.

1.0 Purpose

1.1 The purpose of this report is to highlight the success to date of the Swift vending machine pilot at Wolverhampton Bus Station and to gain agreement, subject to business case, to the wider rollout of vending machines at the key locations detailed below.

2.0 Background

2.1 In order to access the benefits of Swift, customers need to obtain a Swift card. These are widely available through TfWM and National Express Travel Information Centres (TIC), Payzone¹ outlets and the through the online web portal. However, access can still be improved. In particular, key transport interchanges without TICs and other strategic sites such as the Birmingham Airport are currently without immediate access to Swift, with customers' easiest option to obtain a card being the online portal which with postage limitations means they have to wait between 24 and 48 hours before they can get a card.

3.0 Wolverhampton Pilot

3.1 In an effort to deliver greater access to the Swift card, TfWM has piloted a Swift vending machine at Wolverhampton Bus Station. The vending machine is pictured below:

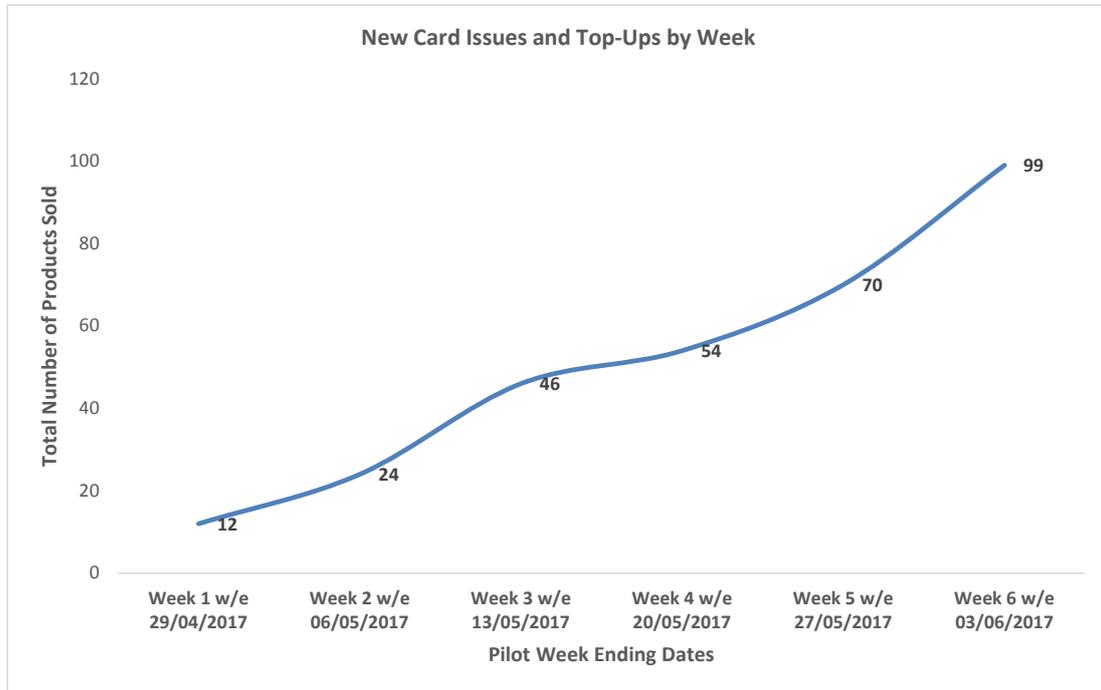


3.2 There are a number of types of Swift card available, including those for Pay-as-you-go and multiday tickets which are transferrable between customers and therefore do not require photo identification on the card; and Swift cards that carry season tickets which are not transferrable across customers and as such do require a photo of the user on the card for identification. The Swift vending machine, dispenses both card types and as such has the functionality to take a photo of the customer – this is a UK first in the area of smart ticketing.

3.3 As well as dispensing cards, the vending machine also allows customers to buy any ticket within the Swift range including season tickets and Swift Pay-as-you-go credit. Customers can even use their contactless bank card to pay for it.

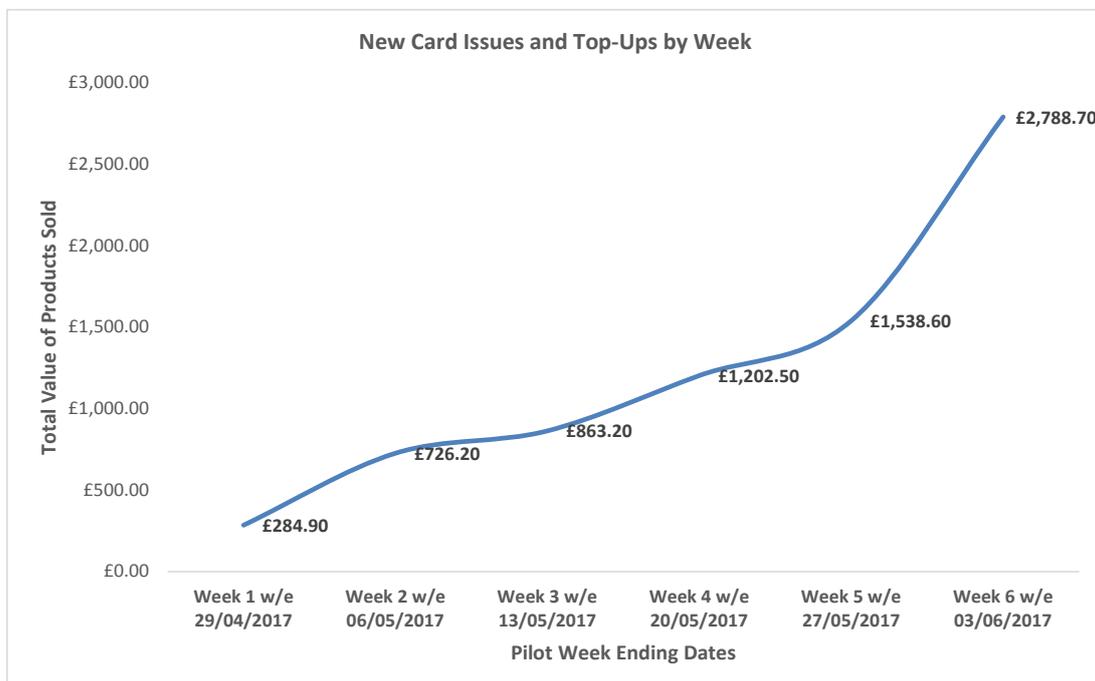
¹ Swift Pay-as-you-go only

3.4 The vending machine was installed in April and, as shown in the graphs below, is increasingly popular with customers.



3.5 As can be seen above, within the space of 6 weeks, ticket purchases has grown to almost 100 per week. Customers appreciate the fact that the vending machine is available throughout the day and usage is high when the Wolverhampton TIC is outside of opening hours. We expect this level of growth to continue.

3.6 The graph below shows the value transacted through the system during the first 6 weeks of operation:



4.0 Customer Feedback

4.1 In order to capture customers' views of the vending machine, the screen offers a voluntary pop-up survey at the end of the transaction, asking three simple questions with customers required to score on a scale between 1 and 5, with 5 being the most positive response.

4.2 The three questions and scores are listed below:

- Is the vending machine easy to use? – 89% of people scored either 4 or 5 with 70% scoring 5.
- Would you use the vending machine again? – 91% of people scored either 4 or 5 with 74% scoring 5.
- Would you recommend the vending machine to a friend? – 91% of people scored either 4 or 5 with 69% scoring 5.

4.3 This is really positive feedback and indicates that Swift vending machines would be popular in other similar locations.

5.0 Locations for wider rollout

5.1 A Swift vending machine at Birmingham Airport would provide visitors with easy access to Swift Pay-as-you-go and Multiday tickets meaning they would receive the same benefits as residents when using the bus for their onward journeys.

5.2 TfWM has the following 12 key bus stations and interchanges which would benefit from the introduction of a Swift vending machine:

- Bearwood
- Bilston
- Coventry
- Cradley Heath
- Dudley
- Halesown
- Merry Hill
- Stourbridge
- Walsall
- Wednesbury
- West Bromwich
- Wolverhampton

5.3 Whilst, Birmingham City Centre, Solihull Town Centre and Sutton Coldfield Town Centre are not staffed interchanges, they are significant destinations for bus travellers and as such would also be good locations for vending machines. Equally, the rollout of Swift vending machines at key tram stations such as West Bromwich and Priestfield should be well used, given information we have on Swift usage.

5.4 Swift is only currently available to direct debit customers on the rail network and as such the rollout of Swift vending machines to rail stations at this stage may confuse customers as there are no Swift tickets that can be vended to them. Also, the next rail franchisee will have significant commitments to support Swift and we expect this to include updating the estate of vending machines that are already on the rail network and as such the rollout of Swift vending machines onto rail stations has been excluded at this stage.

6.0 Costs

- 6.1 To adequately provide Swift vending facilities to the locations above, would require roughly 20 machines. The manufacturer of the Swift vending machine for the pilot has provided a cost estimate of £14,000 per unit including installation costs, if purchased in a bulk order of 20 or more. Purchasing less than 20 units would cost £15,000 per unit.
- 6.2 Therefore, based on the estimate provided above, it would cost c. £280,000 to deliver 20 Swift vending machines at strategic locations across the region. TfWM would hope that through competitive tender, the estimate provided by the pilot manufacturer would be reduced.

7.0 Financial implications

- 7.1 A one-off budget allocation of approximately £40k was made available to fund the pilot Swift vending machine in Wolverhampton Bus Station. This budget has funded its development and installation together with initial operational costs. It is estimated that there will be a budget surplus of approximately £4k. Currently, no further budget has been identified to fund further machines.
- 7.2 WMCA charges operators 2.5% commission for the sale of any product and 2.5% commission on PAYG usage. This will cover associated transactional bank charges and, assuming a reasonable level of sales, should also fund the ongoing operational costs, for example any electricity or licence costs of machines.
- 7.3 Should the installation of more vending machines encourage new customers to use Public Transport, rather than simply encourage a transfer of customers from one method of purchasing products to another, WMCA's ticketing commission income should increase, providing an additional income stream which could be used to procure more vending machines. Should the business case be successful, this factor should be considered when determining how a roll-out of new machines should occur. For instance, a machine at Birmingham Airport may be more likely to attract new customers, and therefore generate new income, than a machine at a Bus Station which has a nearby Travel Information Centre or Payzone outlet.

8.0 Legal implications

- 8.1 There are no known legal implications associated with the content of this report.

9.0 Equalities implications

- 9.1 There are no equalities implications associated with this report

10.0 Other implications

- 10.1 There are no other implications associated with this report.

11.0 Schedule of background papers

11.1 "Swift Programme 2017" presented to the West Midlands Combined Authority Board on the 17 February 2017

12.0 Appendices

12.1 None.

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